C47 35-2

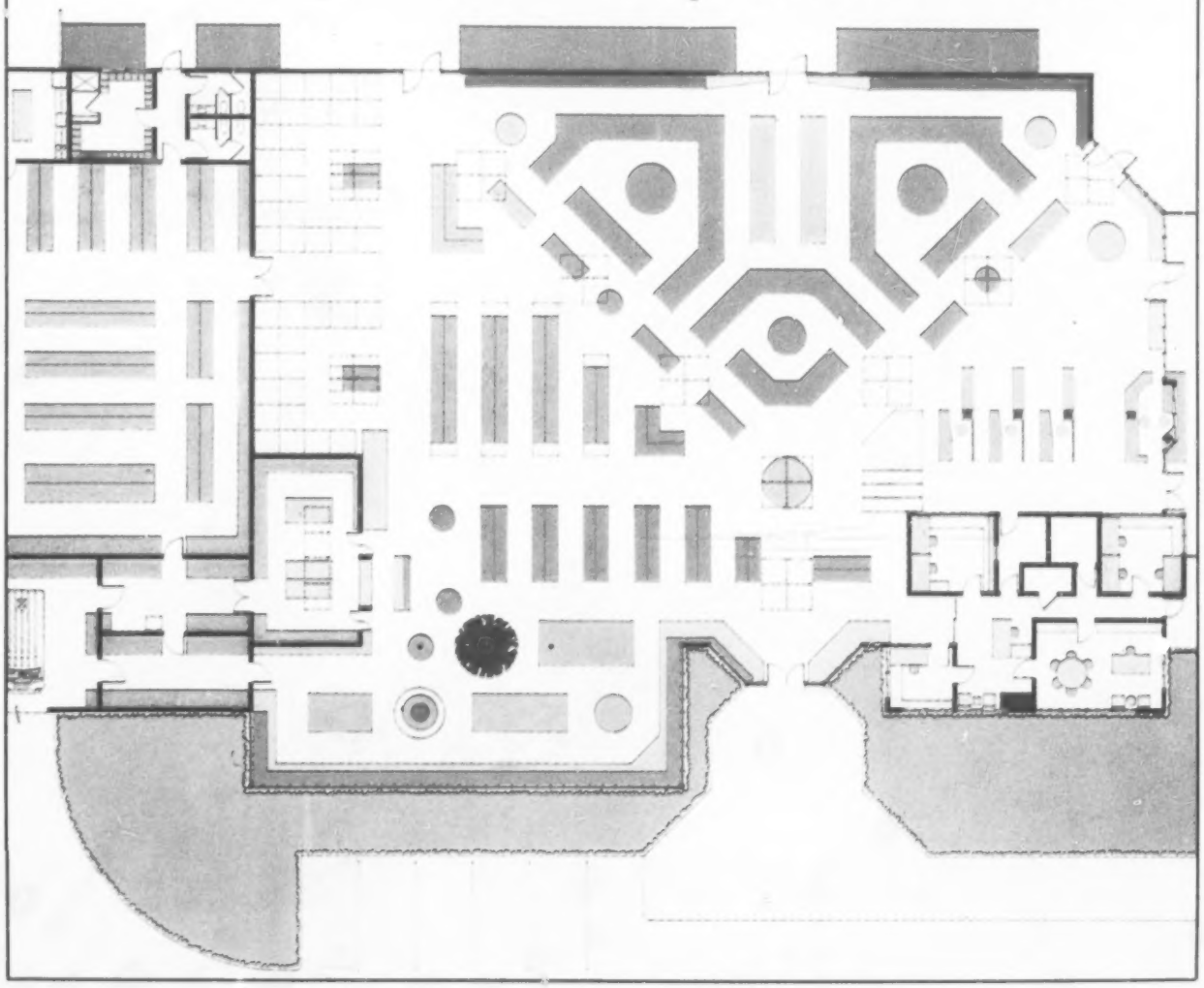
Lawn&Garden Marketing

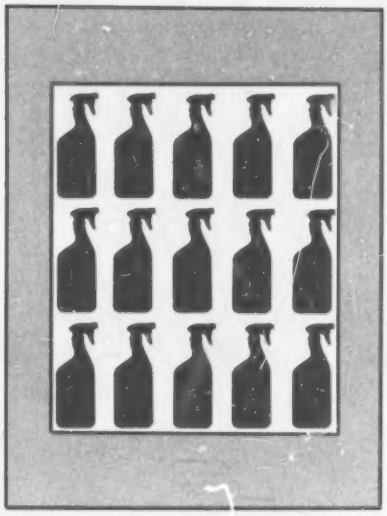
September 1985

Reports on: ABC s of Batteries

- ***Spring '86 merchandising***
- ***Louisville Expo scores again***

Designing garden centers for diverse product lines





8 **RTU chemical sales** will increase in '86, say 47 percent of retailers responding to an **LGM** spring merchandising survey.

48 **Outdoor demonstrations** at the '85 Expo provided a major lure for OPE buyers.

Cover art courtesy of Wertheim, van der Ploeg & Kiemeyer

SEPTEMBER 1985 VOL. 24, No. 8 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

8 **Planning '86 merchandising strategies.** Results from an **LGM** survey of retailers indicate some aggressive advertising plans for the 1986 spring sales season; display space allotments and employee training programs are also revealed.

32 **Designing garden centers for diverse product lines.** Pointers from a landscape architectural firm show retailers some of the prerequisites for planning major garden center renovations or new construction. By Steve Trusty.

48 **Louisville Expo scores again.** Interviews with visitors and exhibitors portray the 1985 Expo as a success for the industry. A pictorial account highlights the show. By Glenn Hensley.

51 **How one OPE dealer viewed the Expo.** A St. Louis power equipment dealer compares the first two shows and their changes in size and focus.

60 **Berk awarded Golden Medallion.** Martin Berk, Deere & Co. engineer, receives OPEI's industry service award. (See Power Equipment Report.)

DEPARTMENTS

6	Editor's Notebook	62	Green Scene
17	ABCs of Batteries	64	New Products
54	Marketing in Action	76	Calendar
60	Power Equipment Report	80	In the News

Coming in October: New Product headliners • Highlights of the National Hardware Show

Postmaster: Return form 3579 to Lawn & Garden Marketing, P.O. Box 12942, Overland Park, KS 66212-0930.

Copyright 1985 INTERTEC PUBLISHING CORP. All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of the publisher. For information, address John Wickersham, 9221 Quivira Road, Overland Park, KS 66215.

Photocopy rights: Permission to photocopy for internal or personal use is granted by Intertec Publishing Corp. for libraries and others registered with the Copyright Clearance Center (CCC), provided the base fee of $2.00 per copy of article is paid directly to CCC, 21 Congress St., Salem, MA 01970. Special requests should be addressed to publisher. ISSN 0091-4665: $2.00 + 0.00. Article copies, 16mm microfilm, 35mm microfilm and 105mm microfiche are available through University Microfilms International, 300 N. Zeeb Rd., Ann Arbor, MI 48106.

Planning '86 merchandising strategies

Advertising in 1986 compared to 1985

	Multi-Dept. %	Garden Centers %	Hdw./ Home %	Power Equip. %
More in 1986	.....	36.2	20.8	15.8
About the same	100.0	59.6	64.1	71.0
Less	.....	2.1	5.7	13.2
Did not advertise in 1985	.....	2.1	9.4	.....
Used co-op advertising in 1985				
Yes	83.3	72.4	56.6	86.8
No	16.7	25.5	34.0	13.2
Did not advertise	.....	2.1	9.4	.....
Plan to use co-op Advertising in 1986				
Yes	83.3	76.5	71.7	86.8
No	16.7	19.2	28.3	13.2
Not given	.....	4.3	.....	.....

Source: LGM spring 1985 survey

1985 advertising dollars spent

	Multi-Dept. %	Garden Centers %	Hdw./ Home %	Power Equip. %
Less than $500	.....	10.6	24.5	10.5
$500 to $999	.....	8.5	22.7	26.3
$1,000 to $4,999	16.7	29.8	24.5	44.7
$5,000 to $14,999	83.3	34.1	7.6	13.2
$15,000 or more	.....	14.9	11.3	5.3
None	.....	2.1	9.4	.....
Median =	$11,250	$5,000	$960	$2,160
Percentage of total sales				
1%	16.7	12.8	9.4	13.2
2%	50.0	17.0	17.0	21.1
3% or 4%	16.7	25.5	24.5	18.3
5% to 9%	.....	19.2	18.9	21.1
10% or more	.....	10.6	18.9	10.5
Not given	16.6	12.8	1.9	15.8
Do not advertise	.....	2.1	9.4	.....
Median =	2.5	3.9	4.3	4.5

Source: LGM spring .985 survey

■Lawn and garden retailers, coming off a good sales season this year, are planning to beef up their advertising budgets in 1986. This intention to get into the lawn and garden business more intensely was reflected in a study just completed by **LGM.** The study showed that hardware/home centers especially would take more aggressive positions through advertising.

The same study showed, however, that the respondents to the survey would not be allotting significantly more space to respective lawn and garden categories. The data suggests then, that the retailers are planning to advertise more heavily to move the merchandise more quickly, following the trend to increase turns and increase cash flow.

From most indications, 1986 should be another good year for the lawn and garden industry. Individual store results will be greatly affected by the amount of planning undertaken now to prepare for next spring.

Advertising

Of the garden centers responding to the survey, 36.2 percent plan to spend more on advertising in 1986 than they did in 1985. Only 2.1 percent plan to spend less, and 2.1 percent did not advertise. The balance (59.6 percent) will spend about the same in advertising.

Ron Herndon, president of Des Moines Seed and Nursery in Des Moines, Iowa, is a garden center operator who plans to work with an increased advertising budget in 1986. In his case, he is keeping the percentage of sales the same, but, because 1985 sales were greater than expected, he will have more dollars for advertising.

Herndon opened a new store west of Des Moines in 1985. The combination of new store, its rural setting and increased budget with two locations, causes Herndon to look at a larger media mix for his advertising. He is using shoppers more. According to Herndon, direct mail

continued...

1986 advertising

% planning to feature tools and supplies in advertising

	Multi-Dept.	Garden Centers	Hdw. Home
Plants, seed, sod	83.3	85.1	43.4
Lawn chemicals	33.3	63.8	56.6
Garden hose, sprinklers	100.0	36.2	67.9
Tools	100.0	25.5	62.3
Pre-emergent fertilizers	50.0	53.2	4.5

Source: LGM spring 1985 survey

It appears that because of the heavy competition between GCs and MDs, careful attention should be given to the price advertised.

A less competitive market should allow GCs the opportunity to stress a full-service, complete lawn care concept.

It appears GCs are conceding the tool, garden hose and sprinkler market to the MDs and HHs. Special purchases and competitive pricing may be one way for GCs to maintain a full-service image.

Because fertilizers take up a lot of display space and are very price-sensitive, advertising the right price is particularly essential in this product category.

Merchandising

...continued

has generated good results.

Des Moines Seed and Nursery started putting out a quarterly newsletter this year. It worked with its own customer list and a purchased list. It now has nearly 6,000 names. By using a coupon in this mailer, it has been able to track results quite accurately, according to Herndon. These results have been very good.

Herndon tried some billboards this year with success. He does not use television because of the expense. He says these dollars will go much farther in the other media. Radio has also been good for him.

Of the hardware/home centers surveyed, 20.8 percent plan to increase their advertising budgets in 1986; 5.7 percent plan to spend less.

Kelly Masco of Chicago area's Gee Lumber says he will stick with his same basic formula for advertising in 1986. Since Gee Lumber has been building its lawn and garden department steadily over the past several years, growth this season was anticipated. Its advertising structure is geared to sustaining this steady growth. Masco says it is important that your plans are well thought out so that you use the suppliers' programs to enhance your overall advertising package.

Of the power equipment dealers responding to the survey, 15.8 percent plan to spend more on advertising next year, 71 percent plan to spend about the same, and 13.2 percent plan to spend less.

A Nebraska power equipment dealer who plans to work with the same percentage of sales for advertising is Omaha Lawn and Garden. Manager Jackie Flint says that because spring 1985 sales were up, she will have more dollars to spend in 1986.

She plans to stick primarily with the major area newspaper. Since she experienced more early interest and sales of riding mowers in 1985, her emphasis on riders will be placed earlier in the 1986 season.

All of the multi-department operations in the survey plan to spend about the same on advertising in 1986.

The survey shows that the median expenditure for garden centers was $5,000, while multi-department stores spent $11,250. But the advertising budget as a percentage of sales is probably more informative than dollars spent. The overall median was 3.8 percent of sales.

Power equipment dealers' median was highest at 4.5 percent. Hardware/home centers were next at 4.3 percent followed by garden centers at 3.9 percent. The multi-department stores spent only 2.5 percent of sales on advertising. But most of these, because of their size, have a larger total budget with which to work.

As far as co-op advertising is concerned, 72.4 percent of the garden centers used co-op dollars in 1985, and 76.5 plan to use co-op in 1986. Of the power equipment dealers, 86.8 percent used co-op money in 1985, and the same percentage plan to use it in 1986.

Only 56.6 percent of the hardware/home centers used co-op advertising in 1985, but 71.7 percent plan to use it in 1986. This indicates that this segment of the industry has decided that using co-op dollars is a good way to stretch the advertising budget.

Des Moines' Herndon is a great believer in using co-op dollars fully. "Not only is it a good way to stretch the advertising budget," he says, "but the suppliers' money can help keep my store's name in front of the public as well as promote the manufacturers' products."

Masco is another believer in using co-op dollars. He adds that frequently the size of his ads will depend on the co-op dollars available.

Bill Roach, president of Millard Small Engine, Omaha, Neb., cautions, "Use co-op dollars as long as they are productive." Stores need to analyze the reason for placing the ad, the manufacturers' restrictions or requirements, and what the net cost would be. It would not be productive to spend $100 of an ad budget to promote a $50 item that can only realistically sell two or three.

Planning must be stressed. When setting out the whole program for spring, which includes purchasing, display space and allocation, advertising and promotion, keep them all

continued...

in perspective. A large ad compaign requires an adequate supply of merchandise, and volume purchases require adequate display, advertising and promotion.

Charles McColough, president of The Planting Council (formerly The Fall Planting Council), recommends that stores lay out all promotional programs now. He advises, "add excitement to each season. Utilize the various tools and aids that are available to you." The Planting Council will have different themes and graphics available for each season of the year, beginning in the spring of 1986.

What are retailers planning to feature in their ads for 1986? The survey indicates that 70.1 percent of the total respondents will be featuring tools and supplies in their 1986 advertising. The breakdown of product categories to be featured is as follows: plants, seed and sod 47.2 percent; lawn chemicals 43.8 percent; garden hose and sprinklers 41.0 percent; tools 37.5 percent; and pre-emergent fertilizers 35.4 percent.

It is interesting to note that only 33.3 percent of the multi-department stores plan to feature lawn chemicals, while all of these outlets will be advertising tools, garden hose and sprinklers. This provides a less competitive market for the full service garden centers to stress the complete lawn care concept in their advertising.

Knowing that 83.3 percent of the multi-department stores plan to put emphasis on plants, seed and sod, almost identical to the garden centers' 85.1 percent, should encourage all dealers to make especially careful plans for this segment of their advertising.

If advertising a price, it must be competitive. If not competing price-wise, retailers will need to offer other incentives to the consumer to shop their stores, such as stressing knowledgeable salespeople, planting services, design services, wider selection and other related extras.

An example of an additional service retailers might offer was provided by Herndon. He has made arrangements with a local carpenter to install decks and wood fences. Herndon doesn't have to hire a full-time person experienced in building, but he can offer more complete exterior landscaping to his customers.

Herndon says hot tubs are another natural extension of products and services. "Spas are something else for the homeowner to landscape around," says Herndon.

It appears from the figures that the garden centers are conceding the tool and garden hose and sprinkler market to the multi-department and hardware/home centers. Retailers, who are full-service garden centers and desire to maintain that full service image, should plan to make some special purchases of products in those categories and feature them in ads.

For those carrying power equipment, it is helpful to know what products will be featured and by whom. More than 51 percent of the

continued...

Power equipment in 1986 advertising

% who plan to feature walk-behinds

(one walk-behind equals 10%)

Source: LGM spring 1985 survey

Products to feature in 1986 ads

	Multi-Dept. %	Garden Centers %	Hdw./ Home %	Power Equip. %
Power equipment	66.7	12.8	52.8	94.7
Walk-behind mowers	66.7	10.6	49.1	84.2
Riders, lawn tractors	16.7	2.1	20.8	79.0
Tune-up accessories, spark plugs, etc.	16.7	2.1	18.9	21.1
Tractor attachments and accessories	.....	.....	1.9	21.1
Tools and supplies	100.0	95.7	86.8	10.5
Plants, seed and sod	83.3	85.1	43.4	.....
Lawn chemicals	33.3	63.8	56.6	2.6
Garden hose and sprinklers	100.0	36.2	67.9	.....
Tools	100.0	25.5	62.3	7.9
Pre-emergent fertilizers	50.0	53.2	41.5	2.6
None	.....	4.3	9.4	5.3

Source: LGM spring 1985 survey

...continued

total respondents will be advertising power equipment. Walk-behind mowers will be featured by 66.7 percent of the multi-department stores, but by only 10.6 percent of the garden centers, 49.1 percent of the hardware/home centers and 84.2 percent of the power equipment dealers.

The only category from which a significant number of respondents plan to feature riders and lawn tractors is the power equipment dealers. Seventy-nine percent of these stores will be running ads featuring these high ticket items.

Space

The survey indicates that no significant indoor or outdoor floor space additions will be made in the lawn and garden area for 1986. In order to justify additional advertising expenditures with no additional floor space, the dealer must increase his inventory turns. Only careful buying and allocation of space will allow those increased turns.

Allocation of space involves the determination of how much space is used for displaying various categories of merchandise. In order to display more of one item, display less of something else.

The survey didn't indicate what items would receive less space, but several items appear to be warranting more space with dealers. More than 27 percent of the total respondents plan to give more space to power equipment, with 20.1 percent giving that space to walk-behind mowers and 14.6 percent giving more space to riders and lawn tractors.

Half of the power equipment dealers plan to give more space to power equipment. None of the multi-department stores plan on allocating more space to power equipment. Only 16.6 percent plan to show more plants, seed or sod, and 16.7 percent plan to give more area to garden hose and sprinklers.

Few (12.8 percent) of the garden centers plan to give more space to power equipment. About 49 percent plan on more displays of plants, seed and sod; 23.4 percent plan additional space for lawn chemicals. Only 34 percent of the garden center operators plan no change in space allocation; half of the multi-department stores plan no change.

Rik Mumma, president of California's Roger's Gardens reports that color baskets and pots are still very big items, but they are seeing a switch from the higher-priced (over $50) to the lower-priced units ($10 to $30). The sales of the higher-priced pieces have not kept pace with the lower-priced ones, according to Mumma.

Roach recommends that retailers carefully scrutinize all past results, plus programs and trends, when allocating floor space. It is also important to attempt to analyze why something did, or did not, happen, says Roach.

In planning, watching trends is important, but, as Bill Hackett, sales manager for the Farnam Company, cautions, "remember those who are countertrend." A swing in the trend line doesn't mean that everyone is changing. Hackett says that it is important to keep an eye on as broad a picture as possible.

Much has been written about the increased interest in ready-to-use products. There has been a real proliferation of sizes and products in RTU according to Vic Foster, president of Foster's Inc., a Waterloo, Iowa, distributor. Foster says that these products are not cutting into the sales of concentrates, but they are expanding the market.

More than 47 percent of the total respondents project an increase in sales of RTU products for 1986; 28.5 percent say there will be an increase in sales of concentrated chemicals. People who would not take the time or equipment to mix chemicals are buying RTU products. Making room for new categories, such as this, requires adjustments in floor space, display and advertising.

Some of the other products projected for increased sales in 1986 by a majority of the garden centers are: granular fertilizers (projected by

continued on page 81...

RTU Chemicals

% of retailers projecting increases in 1986 sales

(one bottle equals 10%)

Source: LGM spring 1985 survey

Display space

Median square feet allocated to display of lawn and garden products during 1985 and projected 1986 allocations

	Garden centers	Hdw./home	Power equip.
1985 indoor	3,200	770	710
1986 indoor	3,220	790	730
1985 outdoor	12,500	585	750
1986 outdoor	9,400	500	500

Source: LGM spring 1985 survey

Merchandising

...continued from page 26

63.8 percent), vegetable gardening seeds and plants (63.8 percent), potting media (68.1 percent) and ornamental seeds and plants (66.0 percent).

Garden tools were picked by 83.3 percent of the multi-department stores to show increased sales in 1986. More than 71 percent of the hardware/home centers projected an increase in garden tools, while only 21.3 percent of the garden centers felt this segment of the market would increase for them.

Nearly 58 percent of the power equipment dealers picked rear-bagger mowers on the plus side. Multi-department stores picked side-discharge mowers and rear-baggers to increase in equal numbers (50 percent). Only 36.8 percent of the power equipment dealers selected side-discharge mowers for increased sales. The primary reason for these projections may be that side-discharge mowers are usually less expensive and are more promoted by the chains, whereas the more expensive rear-baggers are the mainstay of the power equipment dealer's business.

Des Moines' Herndon says that the full-service garden center has a definite opportunity when allocating display space. Herndon recommends that this retailer devote as much space as possible to the specialty items that the multi-department stores don't carry. "Let the consumer know you have more to offer," says Herndon.

Personnel training for spring 1986

	Multi-Dept. %	Garden Centers %	Hdw./ Home %	Power Equip. %
Percent planning training programs	50.0	68.1	54.7	57.9
In product knowledge	33.3	61.7	52.8	50.0
In selling	33.3	55.3	28.3	31.6

Source: LGM spring 1985 survey

Employee training

Another important aspect of planning for spring is personnel training. What are your peers planning for 1986? Nearly 60 percent the respondents plan a program on product knowledge and 38.2 percent on selling. Some of those responding plan programs in both areas.

As far as product knowledge is concerned, only 33.3 percent of the multi-department stores plan programs, while 61.7 percent of the garden centers will upgrade their personnel through product knowledge training sessions. Only 28.3 percent of the hardware/home centers plan programs on selling,

continued on page 83...

We are number one!
year 'round plant protector
Protects against plant damage due to
5 GAL
30 GAL
55 GAL
FALL IS FOR PLANTING
WE SUPPORT!
Wilt-Pruf Products, Inc.
P.O. Box 4280 • Greenwich, Connecticut 06830-0280 • (203) 531-4740
Circle (52) on Reply Card

...continued from page 81

while 55.3 percent of the garden centers plan to improve their employees' selling skills.

Flint is one of the dealers who feels training is very important. She primarily uses factory-sponsored schools to keep employees, and herself, on top of the latest information.

Masco uses Gee Lumber's own personnel and suppliers' assistance to provide personnel training. He plans to provide additional training for 1986.

Herndon says that employee training is extremely important in building up his company's image. How an employee meets and greets the customer in most cases determines how that customer feels about his shopping experience. Herndon says that a store that doesn't have an employee training program has a definite weakness in its overall plan.

HMC Corporation, the maker of the Green Machine, feels so strongly about employee training that it outfitted a large van which was taken to 66 cities in 1985. This van carried the equipment and supplies needed to put on full-day training sessions for dealers selling the Green Machine. Product knowledge was covered, along with advertising, merchandising and general selling techniques that would apply to a wide variety of situations.

Kathryn Takis, HMC's advertising manager, reports that a distributor survey gave the road show the second highest ranking of all manufacturer-provided programs. Consequently, HMC plans to continue and expand its dealer employee training program for 1986.

The **LGM** study shows that more manufacturers and distributors are becoming actively involved in helping train the front-line employee. And this combined with careful allotments of retail space and advertising dollars can favorably influence 1986 sales. McColough's advice to retailers is simple. "Get out your planning calendar," he says, "and *plan, plan, plan.*" □

This publication is available in microform from University Microfilms International.

☐ Please send information about these titles:

_____

_____

Name _____

Company/Institution _____

_____

Address _____

City _____

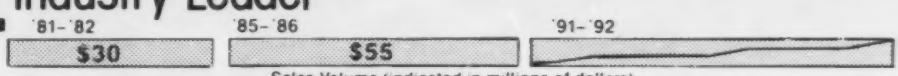
State _____ Zip _____

Phone ( ) _____

Call toll-free 800-521-3044. In Michigan, Alaska and Hawaii call collect 313-761-4700. Or mail inquiry to: University Microfilms International, 300 North Zeeb Road, Ann Arbor, MI 48106.

FLOWERTIME IS...

...An Industry Leader



Sales Volume (indicated in millions of dollars)

We own and operate 20 architecturally innovative nursery/greenhouse/craft centers in the metropolitan New York tri-state area and will own, operate and staff 100 more during the next six years as we expand the Flower Time chain throughout the Northeast corridor. We rely upon our own growing range for 40% of our growing stock, and computerized inventory and warehouse systems for superior quality control.

...Hiring

Stores in Operation NY/NJ/CT — Projected

- **MANAGERS**
- **ASSISTANT MANAGERS**
- **HORTICULTURALISTS**
- **PLANT DIAGNOSTICIANS**
- **PLANT/LAWN/GARDEN CARE & CULTURE SPECIALISTS**

Our highly competitive approach to our specialty retail field, and our comprehensive, multi-level training programs, enable Flower Time staff—a highly motivated team of horticultural specialists and retail professionals—to attain both high visibility and stature in a four-season, great growth business.

...The Future.

Quality Merchandise

We have become, in little more than a decade, a multi-million-dollar NYSE firm and a major division of General Host. We are uniquely positioned to become the first, national nursery/gardening/crafts chain in the U.S. We offer competitive salaries, a full range of company-paid benefits, formal training on all levels of operation, and tuition reimbursement. (IT IS CORPORATE POLICY TO TRAIN AND PROMOTE FROM WITHIN.) You won't outgrow Flower Time. Join a leader. For immediate consideration, please call, and forward your resume, to:

Director of Personnel
516/957-3300
1178 Route 109
Lindenhurst (L.I.), New York 11757

We Are An Equal Opportunity Employer M/F

FLOWER TIME

Circle (54) on Reply Card